

Health Insurance Reform

DAILY MYTHBUSTER: GOP 'Fact' Sheet

Health insurance reform opponents, like Republican Congressman Eric Cantor, continue to spread myths about components of [America's Affordable Health Choices Act](#). Labeled "key facts" the fact sheet sent by Cantor's office to each member of Congress simply peddles already disproven myths and celebrates the analysis of a discredited insurance industry pawn.

Myth: □ *"Independent analysis by the Lewin Group shows that 2 out of every 3 people would lose their current coverage, including up to 114 million people who receive health benefits through their employer or other current coverage if a government-run plan 'competes' with private companies." Congressman Cantor's "Key Facts"*

Fact: While news reports have discredited the Lewin Group as a wholly-owned subsidiary of the insurance industry, the non-partisan Congressional Budget Office (CBO) confirmed the provisions in America's Affordable Health Choices Act would result in dramatically increased coverage without crowding out private insurance. The CBO also says the bill would:

- Lead to an increase in employer sponsored insurance coverage: "We estimate that about 12 million people who would not be enrolled in an employment-based plan under current law would be covered by one in 2016..."

- Not crowd out private health insurance: “CBO does not anticipate a substantial shift from private insurance to Medicaid.”
- Not lead to inflated public option enrollment, in fact, private plans would be dominant in marketplace. The CBO projects only about 10 to 11 million individuals in the public option by 2019.
- Several of the bill’s measures could lead to decreased costs for the average consumer (e.g. encouraging healthy consumers to purchase insurance, reducing the “cost shift” of the uninsured, and reforms to Medicare). [[For More Information on CBO Analysis](#)]

Far from “independent,” the Lewin Group has been widely discredited and found to be making financial contributions to Congressional Republicans.

- The [Washington Post](#) reported the group is a “wholly owned by UnitedHealth Group, one of the nation's largest insurers,” that is “part of Ingenix, a UnitedHealth subsidiary that was accused by the New York attorney general and the American Medical Association of helping insurers shift medical expenses to consumers by distributing skewed data ... In January, UnitedHealth agreed to a \$50 million settlement with the New York attorney general and a \$350 million settlement with the AMA, covering conduct going back as far as 1994.”

Myth: □ *“Medicare Services For Seniors Will Be Cut To Pay For Government Takeover.”*
Congressman Cantor’s “Key Facts”

Fact: While achieving new efficiencies, fighting fraud, and ending wasteful overpayments to Medicare Advantage providers, America’s Affordable Health Choices Act includes several key provisions that improve Medicare benefits and health care for seniors, including the following:

- Strengthens Medicare upon which millions of seniors rely. Preserving all of the choices in Medicare of doctors and hospitals that seniors have now and highly value.
- Provides a permanent fix to Medicare payments to doctors. Ensuring that seniors can keep the doctor they have now by ensuring that doctors in Medicare receive fair and appropriate reimbursements for their services, rather than facing steep cuts in payments.
- Ensures that millions of seniors will save hundreds of dollars on their prescription drugs by phasing in completely filling in the “donut hole” in the Medicare prescription drug benefit (where drug costs are not reimbursed at certain levels).
- Computerizes medical records so seniors won’t have to take the same test over and over or relay their entire medical history every time they see a new provider.

- Extends solvency of Medicare by 5 years or more.

That is why the AARP, the Center for Medicare Advocacy, along with many other organizations, are supporting the reform effort. [AARP](#) : “We are pleased by the House TriCommittee’s health care reform bill
, which makes important strides towards making sure that every American has access to affordable, quality health care choices.....
Those of our members in Medicare pay close to 30% of their incomes on out-of-pocket expenses and they deserve relief, especially in the prescription drug doughnut hole
, where they get no benefit while paying premiums. This
bill would make great strides for all of our members and their families.
”

[\[7/14/09\]](#)

Myth: □ *“Record High Taxes To Be Paid By Small Businesses.” Congressman Cantor’s “Key Facts”*

Fact: Small businesses benefit enormously from America’s Affordable Health Choices Act.□ The bill would:

- Exempt most small firms from shared responsibility to cover workers. 76 percent of all businesses are exempt altogether from the employer responsibility requirements. An additional 7 percent of larger firms would pay a graduated rate of 2 to 6 percent if they do not offer coverage. More than 72 percent of firms with payrolls of \$250,000 to \$500,000 and less than 250 employees already offer worker health coverage today – and will have better and more

affordable options under the bill.

- Not impact 96% of small businesses at all with surcharge—and of the remaining 4% of owners, half earn less than 1/3

rd

of the income from that small business—and are more likely to be wealthy investors with some small business income. For the remaining 2% affected, the plan would only place a small surcharge a portion of their net profits.

- Reform dramatically reduces small business health costs. The Small Business Majority recently released a report that showed that without reform, small businesses will pay nearly \$2.4 trillion in health care costs over the next 10 years. If health insurance reform is enacted, the report found that small businesses could save as much as \$855 billion over 10 years, nearly 36 percent. This money can be reinvested in the business and jobs.

That is why employers of all sizes are supporting the America's Affordable Health Choices Act. The [Main Street Alliance](#), a small business group, supports the bill because it "will help make America's small business more competitive by giving them greater control over one of the most costly and unpredictable aspects of doing business: the spiraling costs of providing quality health coverage."

[\[7/15/09\]](#)